

POLICY
MEMORANDUM

MISSISSIPPI STATE PERSONNEL BOARD

Policy Memorandum No. 4-FY 1996

Revised December 1, 1995

TO: Elected Officials, Agency Directors, and Personnel
Officers State Service Agencies

FROM: J.K. Stringer, Jr.
State Personnel Director

DATE: May 19, 1995

SUBJECT: EXECUTIVE SERVICE POLICIES AND PROCEDURES FOR FISCAL YEAR 1996

A. STATEMENT OF PURPOSE

It is the intent of the State Personnel Board to establish the Executive Service for the purpose of attracting, retaining, developing competent executives and senior-level managers in order that the complex programs and agencies of state government will function effectively, efficiently, and productively. The Service shall provide methods for employment, promotion, and reassignment that are responsive to organizational or program needs and that offer flexibility to appointing authorities/governing bodies to negotiate, establish and adjust salaries.

These provisions shall supersede all conflicting policies and procedures for administration of Executive Service policies published in the Mississippi State Personnel Board Policy and Procedures Manual, and additional or replacement manuals, and all subsequent changes to the manual effective close of business June 30, 1995 and shall become an official attachment to the Mississippi State Personnel Board Policy and Procedures Manual for Fiscal Year 1996.

B. COVERAGE OF THESE POLICIES

1. General

The Executive Service shall be maintained as a separate system of personnel and salary administration for selected positions under the salary setting authority of the State Personnel Board which meet the following criteria:

- a. Executive Directors whose salaries fall within the State Personnel Board's salary setting authority are included in the Executive Service.
- b. Phase II. Executive personnel whose function is:
 - 1. Essentially policy-making and managerial in nature, and have a direct reporting relationship to the appointing authority of his/her deputy; or
 - 2. Directors of sub-agencies which are appropriate to separately and whose personnel functions are facilitated directly with the State Personnel Board.
- c. Phase III. Additional executive personnel who:
 - 1. Satisfy the requirements of Phase II above; or
 - 2. Are policy-making line management employees who report directly to Phase II designees.

2. Phases II and III Implementation

- a. Phase II:

 In Phase II or the Executive Service, the State Personnel Board extends eligibility for Executive Service pay policies to deputy directors and bureau level directors of state master agencies possessing (50) or more actual full time employment positions an the agencies of all statewide elected officials. Agencies with fewer than one thousand (1000) employees shall designate no more than five (5) employees to Phase II of Executive Service. Agencies with more than one thousand (1000) employees may designate the minimum of five (5) employees as Phase II but, in addition, may designate other positions as Phase II at the rate of one position for every two hundred and fifty (250) employees up to a maximum of ten (10) employees in Phase II of the Executive Service.
- b. Phase III:

 This phase of the Executive Service plan shall be applicable only to master agencies with 250 or more actual full time employment positions.
- c. The number of positions designated Phase II and Phase III in an agency may

not exceed one (1) per cent of the total agency positions or thirty (30) whichever is less.

- d. An exception to the agency size criteria stated above shall be given to agencies of elected officials and agencies with statewide regulatory or control requirements over other state agencies. These agencies may be allowed a maximum of twenty-five (25) Executive Service positions in Phases II and III combined, provided the positions meet the organizational criteria for inclusion in the Executive Service.
- e. Agency heads may choose to designate fewer than the maximum or choose not to designate any position as Executive Service under Phases II and III. Such non-designated employment positions shall remain subject to the Variable Compensation Plan. Positions selected for inclusion must meet the criteria stated above and be under the salary setting authority of the State Personnel Board. Deputy directors and bureau level directors whose agency head's salary is set in statute are eligible for inclusion in the Executive Service Policy. Note: For the purposes of this memorandum, bureau level directors include other job title (including division directors who satisfy the conditions of Section B.1.b. herein.

C. GENERAL POLICY PROVISIONS

1. Designation Authority

The State Personnel Board shall have exclusive authority to approve designated Executive Service positions consistent with these policies and procedures.

2. Approved Organizational Charts

Designation of Executive Service positions shall be based on these policies and analysis of the State Personnel Board approved organizational chart of the participating agency. Desk audits may be required prior to designation. Refer to Miss. Code Ann. Section 2-9-133(1) and Section 25-9-115(n)(1972).

3. Salaries upon Transfer

Transfer from an Executive Service position to an employment position covered by the Variable Compensation Plan or other state or non-state service positions does not permit transfer of the Executive Service salary. See Section M, Transfer Salaries.

4. Adding Positions to the Executive Service

There shall be no additional positions added to the Executive Service during Fiscal Year 1996.

5. Reorganizations

Internally or externally mandated reorganizations which may result in a new increase in Executive Service positions or redesignation of Executive Service positions shall not result in Executive Service salary increases during Fiscal Year 1996. In the event of a legislatively mandated reorganization, the salaries of incumbents whose positions no longer meet Executive Service criteria shall be established in accordance with the provisions for Transfer Salaries, Section M herein.

6. Reallocations

Requests for non-budgeted reallocations or budgeted reallocations which result in a net increase of Executive Service positions or redesignations of Executive Service positions shall be regarded in all cases as agency reorganizations. Refer to Miss. Code Ann. Section 25-9-115(n)(1972).

7. Position and Employee Movement or Change

Any position movement or a material change in job duties and responsibilities of an Executive Service position such that the position no longer meets Executive Service criteria shall be regarded as an agency reorganization. Agencies shall notify the State Personnel Board by the 15th day of the month in which the movement or change is effective. No position or employee movement into or out of the Executive Service shall be performed simply as a pretext for securing salary increases.

8. Ceiling on Number of Executive Service Positions

No more than ten (10) employment positions meeting the criteria in these policies may be designated Executive Service under Phase II, excepting covered agency heads and covered directors of independent sub-agencies. The final number of employment positions covered by Phases II and III of the Executive Service shall not exceed one percent (1%) of the statewide total of authorized employment positions.

9. Review

The State Personnel Board shall review all positions proposed by the appointing authorities for induction into the Executive Service prior to initial inclusion of the positions in the Executive Service.

10. Designation Policies

Each appointing authority shall comply with the State Personnel Board policies and administrative procedures which govern the designation of positions and employees for inclusion in the Executive Service.

11. Annual Policy Memorandum

The State Personnel Board shall publish annually an Executive Service Policy Memorandum which addresses all policies and procedures to govern the Executive Service for that fiscal year.

12. Assignment of Salaries

The salaries assigned to positions in the Executive Service shall be fixed in accordance with the provisions of the Executive Service Classification and Pay Plan established and maintained by the State Personnel Board in coordination with each appointing authority/governing body.

Salary flexibility under the Executive Service component is limited to a maximum of Five Thousand Dollars (\$5,000), and is permitted only for Executive Service Phase I and II positions.

Salary increases under the Executive Service component must be submitted on a case by case basis for approval by the State Personnel Board, and must clearly document why such a salary incentive is crucial to secure the employment of an appointee, or why such a salary incentive is crucial in the retention of a current employee. Salary increases under the Executive Service component shall **not** be used as a reward for meritorious service or for recognition of length of service, but shall be used in cases of crucial retention or recruitment only.

D. Status

Inclusion in the Executive Service shall not be construed to exclude any position or employee

from the state service where such position or employee is designated as state service, nor shall inclusion be construed to confer permanent status on employees designated as non-state service. Refer to Miss. Code Ann. Section 25-9-107(c)(1972).

E. Classification and Pay Plan

1. The State Personnel Director shall prepare a classification method for analyzing the duties, responsibilities and qualification requirements of positions in the Executive Service which is designed to determine the salary range of each position in the service in comparison with the duties, responsibilities and qualification requirements of other Executive Service positions.
 - a. The State Personnel Board shall classify all positions in the Executive Service by assigning each position to its appropriate job classification according to the position description and the organization placement of the position.
 - b. A pay range shall be assigned by the State Personnel Board to each position in the Executive Service on the basis of the prevailing wage in the relevant labor market and criteria such as those set forth below. In addition, examples of factors which may be considered in assessing the relative standing of each Executive Service position in the service in which may affect pay range assignment are:
 - (1) extent of policy development and advocacy responsibilities;
 - (2) interaction with state Legislature;
 - (3) extent of control exercised over other state agencies;
 - (4) agency mission;
 - (5) education and experience requirements of position held;
 - (6) size and complexity of programs managed;
 - (7) scope and complexity of decision making;
 - (8) size of budget administered;
 - (9) size of agency workforce for which accountable;

- (10) technical level of agency workforce generally;
- (11) value or necessity of services to the public;
- (12) geographical service area for which responsible; and
- (13) organizational placement of position.

The pay ranges assigned to Executive Service positions shall be adjusted to maintain competitive market levels and to reflect changes in the above and related factors.

c. All positions in the Executive Service shall be clearly identified as a part of the Service and shall be 3 allocated to a pay range in the Executive Service Classification and Pay Plan, which shall include:

- (1) all approved pay ranges;
- (2) the allocation of each position to its proper pay range and job title; and
- (3) policies, rules and procedures governing administration of the plan.

F. Recruitment and Appointment

- 1. Recruitment efforts to fill current or anticipated non-state Executive Service vacancies shall be the responsibility of the appointing authority/governing body. Recruiting assistance shall be available from the State Personnel Director.
- 2. Each appointing authority shall plan and execute recruitment efforts in a manner that assures consideration of qualified applicants without regard to age, sex, race, religion, national origin, marital status or handicap, except when a specific sex, age or physical requirement constitutes a bona fide occupational qualification necessary to perform the tasks associated with the position.
- 3. An appointment to an Executive Service position shall be made only after the position is classified in accordance with the provisions set forth under the Executive Service Classification and Pay Plan and state law.

G. Salary Determination

1. Agency Heads

a. Initial Salary

The appointing authority responsible for appointing each agency head shall have the flexibility at the time of hire to establish the salary of the appointed official at a step within the current pay range which is deemed justified by the appointing authority based upon factors directly related to job performance such as previous work experience and educational attainment. The following documentation shall be submitted at the time of the appointment:

- (1) A Position-Employee Profile (PEP) form indicating the requested salary, signed by the Governor or the chairperson of the board or commission with appointing authority;
- (2) An Experience and Training Record completed by the employee (if applicable);
- (3) A copy of the official minutes wherein the employment decision is reached.

All documentation relating to the initial appointment shall be signed by the appropriate agency's appointing authority.

b. Subsequent Salary Increases

Appointing authorities may increase the salary of an agency head at any time within twelve (12) months of appointment, not to exceed the end step of the range.

Appointing authorities may, upon approval of the State Personnel Board, increase the salary of an agency head during the fiscal year *under the Executive Service component* not to exceed Five Thousand Dollars (\$5,000) and shall not cause the salary to exceed the end step of the pay range.

The following documentation shall be submitted at the time of the request:

- (1) A Position-Employee-Profile (PEP) form indicating the requested salary, signed by the appropriate appointing authority;

- (2) A copy of the official minutes wherein the increase is requested.

2. Phase II Executive Service Employees

- a. Initial Salary

The appropriate elected official or agency head responsible for appointing each Executive Service employee shall at the time of hire establish the salary of the Executive Service employee in accordance with Section F, Policy Memorandum No. 2 - FY 1996, Administration Of The Variable Compensation Plan for Fiscal Year 1996. However, upon approval of the State Personnel Board, the salary of an appointee to the Executive Service may be increased up to a maximum of Five Thousand Dollars (\$5,000) under the Executive Service component in Fiscal Year 1996, provided the salary does not exceed the end step of the salary range. The following documentation shall be submitted at the time of appointment:

- (1) a Position-Employee Profile (PEP) form indicating the requested salary, signed by the agency head; and
- (2) an Experience and Training Record completed by the prospective salary, signed by the agency head; and
- (3) a form, as prescribed by the State Personnel Director, signed by the prospective Executive Service employee acknowledging his or her understanding of Executive Service policy provisions.

All documentation relating to the initial appointment shall be signed by the agency appointing authority. Refer to Section H herein.

- b. Subsequent Salary Increases

Appointing authorities may, upon approval of the State Personnel Board, increase the salary of a Phase II Executive Service Employee during the fiscal year provided that the cumulative increase under the Executive Service component does not exceed Five Thousand Dollars (\$5,000). Further, the salary increase for a Phase II Executive Service Employee shall not cause the salary to exceed the end step of the pay range. The following documentation shall be submitted at the time of the request:

- (1) A Position-Employee-Profile (PEP) form indicating the requested salary, signed by the appropriate appointing authority;

3. Phase III Executive Service Employees

a. Initial Salary

No salary increases under the Executive Service component shall be awarded in Fiscal Year 1996.

b. Subsequent Salary Increases

There shall be no subsequent salary increases during Fiscal Year 1996.

H. Salary Restrictions

1. No new appointee to an Executive Service position shall be awarded a salary in excess of his or her end step. Appointing authorities should exercise extreme caution in requesting salary awards within the Executive Service. Setting salaries at or near end step not only greatly reduces the options for additional incentives in the form of future salary increases but may affect morale among subordinate personnel subject to the Variable Compensation Plan.
2. Current statutory salary restrictions remain in effect.
3. Maximum reliance on the employee's required State Personnel Board Employee Performance Appraisal System (EPAS) current rating is strongly encouraged to justify Executive Service salary increases. Agencies must articulate and document legally defensible standards for the request of Executive Service salary increases, particularly where subjective work evaluations form the basis for unequal salary awards within similar job classes.
4. Salary increases under these policies shall be calculated so as not to result in personal services funding shortfalls, employee reductions-in-force, or the unsupported promotion of position vacancy levels.
5. The Executive Service salary of an original appointee to a position covered by the Variable Compensation Plan who receives recruitment flexibility upon appointment and within 12 months of appointment is laterally transferred to a Phase II Executive Service position shall be no more than the recruitment flexibility salary. In this instance, an Executive Service increase may not be awarded until 12 months of service from the original appointment date has been completed except in the event of a legislatively mandated salary increase.

6. In the event salary increases are not appropriated for a fiscal year, no salary increase for officials covered by this policy memorandum shall be approved.

I. Attendance, Leave and Benefits

Members of the Executive Service shall be eligible to receive the same personal leave, major medical leave, state holidays, retirement benefits and other emoluments of office as employees in the state service not in the Executive Service.

J. Professional Development

The State Personnel Director shall establish and administer, consistent with the availability of funds designated for that purpose, a professional development program to systematically develop managerial, executive or administrative skills for the purpose of improving the quality of management and administration in state government generally and developing a cadre of executives who, with the approval of the appointing authority, may selectively serve on a task force convened to offer consultative services within state government.

K. Records and Post Audit

1. The appointing authority shall maintain a personnel file for each Executive Service appointee which shall include a copy of the position description of the current position, reports of salary amounts and documentation which formed the basis of all salary decisions relative to the appointee.
2. The State Personnel Director shall maintain a current organizational listing of all Executive Service positions and corresponding salary histories.

L. Transition Provisions

1. Upon the effective date of these policies:
 - a. The classification of all Executive Service positions shall remain as then constituted until changed by the State Personnel Board.
 - b. Persons filling Executive Service positions shall continue as the employees in said

positions without further appointment.

- c. No employee shall suffer any decrease in salary as a result of induction into or appointment to the Executive Service, except that no employee shall be compensated at a pay step higher than the end step assigned to his or her job classification.

M. Transfer Salaries

1. Transfers Within the Executive Service

At the option of the agency head/governing body, employees who transfer or are reallocated from one Executive Service position to another Executive Service position or job class may be permitted to transfer his or her salary up to the current step at the time of transfer. However, the incumbent's salary shall not exceed the end step assigned to the job classification of his or her new position.

2. Transfers, reallocations, redesignations from Executive Service status to positions governed by the Variable Compensation Plan (Phases II and III only)

When the incumbent of an Executive Service position transfers to a position subject to the Variable Compensation Plan, the salary at transfer shall be established by first calculating what the incumbent's salary would have been if the position had been subject to the Variable Compensation Plan. The calculation shall be performed by the State Personnel Board staff and approved by the State Personnel Director.

Salary increases for each intervening year in the Executive Service shall be computed according to the Variable Compensation Plan policy memorandum in effect for each year as follows:

| <u>VCP/Compensation Component</u> | <u>Steps Awarded</u> |
|-----------------------------------|---|
| Realignment | All |
| Cost of Living Allowance | All |
| Productivity | None |
| Inservice | All |
| Reallocations | Maximum eligible (Agency head discretion) |
| Longevity | None |
| New Hire flexibility | If authorized |

Recruitment flexibility
All Others

If authorized
As determined by the State Personnel
Director

In those cases where an Executive Service job class has no direct counterpart job class subject to the VCP, the State Personnel Director shall choose the most similar job class in the state job inventory upon which to calculate the transfer salary.

This Executive Service transfer salary shall serve as the “current step” when calculating the maximum salary increase an employee may receive under the Variable Compensation Plan’s promotional formula. In addition, this “artificial current step” shall serve as the maximum salary which may be awarded for lateral or demotional transfers and reallocations.

In no case shall a transfer result in the employee exceeding the end step of the pay range.

3. Transfer of Executive Director Salaries in Legislatively Mandated Reorganizations

If an agency head whose salary is set by statute is transferred or reallocated to an Executive Service position as a result of a legislatively mandated action, the salary of that agency head may be established under the provisions of Agency Head initial salary determination, Section G 1.a.(et al).

N. Temporary or Interim Appointments

1. For employees who are transferred into an Executive Service position on an interim or acting basis and who revert to a position under the VCP, the employee’s salary upon transfer will be limited to being no higher than his or her maximum eligible salary before the interim appointment. If such an interim appointment continues into a new fiscal year in which the Legislature funds salary increases, the appointee shall be eligible for those increases.
2. An individual who is initially appointed as a standard new hire into an Executive Service position on an interim basis and who subsequently transfers to a VCP position does not transfer the Executive Service salary and shall have his or her salary established as a standard new hire.

If you have any questions regarding Policy Memorandum #4, please contact the Office of Classification and Compensation at 359-2764.